



ANNUAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

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DIRECTORS

Dr. Charles Okeahalam	-	Chair
Mr. Teshome Gebre Kanno	-	Up to 14 June 2022
Ms. Judith Chinkumbi	-	Up to 29 November 2022
Mr. Jacques van Dijken	-	Up to 14 June 2022
Ms. Eunice Mathu		
Mr. Liam Fisher Jones		
Ms. Chiara Palmieri		
Mr. Frank Ireri		
Mr. Paul Davey		
Mr. Frans Van Drimmelen	-	Up to 14 June 2022
Dr. Shakira Choonara	-	Effective 1 June 2022
Dr Elizabeth Ekirapa	-	Effective 1 June 2022
Mr. Antony Chamangwana	-	Effective 29 November 2022

SENIOR LEADERSHIP TEAM

Dr. Githinji Gitahi	-	Group Chief Executive Officer
Mr. Jonathan Dutton	-	Group Chief Finance Officer
Ms. Dirkje Jansen	-	Group Programmes Director - Up to 20 May 2022
Ms. Angela Muchiru	-	Group Human Resources Director
Mr. Samuel Weru	-	Group ICT Director
Ms. Desta Lakew	-	Group Director Partnerships and External Affairs
Ms. Lolem Ngong	-	Chief of Staff
Dr. Meshack Ndirangu	-	Kenya Country Director
Ms. Misrak Makonnen	-	Ethiopia Country Director
Dr. Florence Temu	-	Tanzania Country Director
Dr. George Kimathi	-	Director, Institute of Capacity Development
Ms. Elizabeth Ntonjira	-	Global Communications Director - Up to 20 February 2023
Ms. Anne-Marie Kamanye	-	Director, Business Development
Ms. Joanna Arulraj	-	Director, Monitoring, Evaluation and Learning
Dr. Patrick Kagurusi	-	Country Manager Uganda
Mr Morrish Ojok	-	Country Manager South Sudan
Ms. Viviane Sakanga	-	Country Manager Zambia
Ms. Awa Dieye Dieng	-	Regional Manager, West Africa Hub - Effective 11 April 2022
Mr. Hester Nyasulu	-	Country Manager Malawi - Effective 1 July 2022
Mr. Stephen Gitau	-	Chief Executive Officer, Amref Flying Doctors
Prof. Joachim Osur	-	Vice Chancellor Amref International University
Ms. Caroline Mbindyo	-	CEO, Amref Health Innovations Limited
Mr. Ramses Man	-	Global Director, Fundraising

REGISTERED OFFICE

Langata Road
P. O. Box 27691 – 00506
Nairobi, Kenya

COMPANY SECRETARY

Amuhaya Diana Barasa
Amref Health Africa
Langata Road
P. O. Box 27691 – 00506
Nairobi, Kenya

AUDITORS

Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Deloitte Place
Waiyaki Way, Muthangari
P. O. Box 40092 – 00100
Nairobi, Kenya

LAWYERS

Kaplan & Stratton Advocates
Williamson House
4th Ngong Avenue
P. O. Box 40111 – 00100
Nairobi, Kenya

Gitonga Kamiti, Kairaria & Co.
City House
2nd Floor Wabera Street
P. O. Box 7601 – 00100
Nairobi, Kenya

MMC Africa Law
Spring Valley Crescent
Off Peponi Road, Westlands
P. O. Box 75362 – 00200
Nairobi, Kenya

Mohammed Muigai LLP
MM Chambers
4th Floor, K-Rep Centre
Wood Avenue, Off Lenana Road
Nairobi, Kenya

BANKERS

Standard Chartered Bank, Nairobi, Kenya
Absa Bank Kenya, Nairobi, Kenya
KCB Bank, Nairobi, Kenya
National Bank of Kenya, Nairobi, Kenya
Equity Bank, Nairobi, Kenya
SBM Bank, Nairobi, Kenya
Family Bank, Nairobi, Kenya
I&M Bank, Nairobi, Kenya
National Bank of Commerce, Dar-es-Salaam
Standard Chartered Bank, Dar-es-Salaam, Tanzania
Absa Bank Uganda, Kampala, Uganda
Stanbic Bank Uganda, Kampala, Uganda

Commercial Bank of Ethiopia, Addis Ababa, Ethiopia
Ecobank Senegal, Dakar, Senegal
KCB Bank South Sudan, Juba, South Sudan
Standard Chartered Bank Malawi, Lilongwe, Malawi
Standard Chartered Bank Zambia, Lusaka, Zambia
Eden Commercial Bank, Juba, South Sudan
Ecobank South Sudan, Juba, South Sudan
NMB Plc, Dar-es-Salaam, Tanzania
Nedbank, Pretoria, South Africa

Kenya Commercial Bank, Kampala, Uganda
Azania Bank, Dar-es-Salaam, Tanzania
Standard Chartered Bank UK, London, United Kingdom

The Directors submit their report together with the audited consolidated financial statements for the year ended 31 December 2022, which show the state of the Group's affairs.

1. INCORPORATION

Amref Health Africa ("the Company") is domiciled in Kenya where it is incorporated as a company limited by guarantee under the Kenyan Companies Act, 2015. The address of the registered office is set out on page 1.

2. OBJECTIVES OF THE COMPANY

The Company exists to improve health and health care in Africa. The Group aims at ensuring that every African enjoys the right to good health by helping create vibrant networks of informed and empowered communities and by supporting the health workforce to build stronger health systems. This is achieved by developing, testing and promoting the adoption of appropriate models for improving health; contributing to capacity development at all levels and contributing to the development of an enabling environment for health improvement. The Company works with governments, partners and communities to implement projects, learns from its activities and uses its knowledge to influence others.

3. PRINCIPAL ACTIVITIES

The principal activities of Amref Health Africa are to achieve the above stated objectives which include: improving community health, capacity building through training and outreach, and advocating for changes to improve livelihoods of people in Africa. Amref Health Africa consolidated financial statements incorporate the financial statements of our not for profit activities delivered through (i) Amref Health Africa Headquarters, Amref Health Africa in Ethiopia, Amref Health Africa in Kenya, Amref Health Africa in Malawi, Amref Health Africa in South Sudan, Amref Health Africa in Tanzania, Amref Health Africa in Uganda, Amref Health Africa in West Africa, and Amref Health Africa in Zambia, together with (ii) social enterprise activities delivered through Amref Flying Doctors Limited, and Amref International University and (iii) the Global Fundraising Development Office, together herein referred to as "the Group" all of which are included for the year ended 31 December 2022. In 2018 the Company registered a new social enterprise entity in Kenya, Amref Enterprises Limited which in 2020 changed its name to Amref Health Innovations Limited. This company began trading on 1 January 2023. The activities that have been transferred to Amref Health Innovations Limited were delivered by the Company during the period under review. The work of the Global Fundraising Development Office is to coordinate and support fundraising activities in the Amref Health Africa offices in the Global North and is delivered through a Netherlands-based foundation.

4. BUSINESS REVIEW

The year under review has seen the world emerging from the Covid-19 pandemic which was first acknowledged to have affected the African continent in March 2020. Following the significant efforts across the whole organisation to respond to the impact of the pandemic, we have built our activities and seen substantial increases by almost 70% in our programme and social enterprise expenditure in 2021 and 2022 reflecting the investment that global donors have sought to make in protecting the continent from the impact of future pandemics and other public health crises. We are very grateful to the more than 100 donors who have contributed to this growth and, more importantly, to the changed lives of beneficiaries across the continent.

4. BUSINESS REVIEW (continued)

The Organisation recorded an operating deficit in the year of US\$0.7m before the recognition of the diminution in value of its investment portfolio by US\$2.4m and the revaluation of its land and buildings, following the quinquennial review, by US\$18.2m. Overall, there was therefore a surplus of US\$15m. The NGO reported record levels of work at US\$196m and generated a small deficit of US\$0.3m on these activities. The social enterprises also delivered a small deficit, of US\$0.3m, impacted by reduced Covid-19 led demand for medical evacuations coupled with global inflationary pressures and supply chain disruptions which negatively affected the operations of Amref Flying Doctors. The success of the social enterprises is an essential part of the financial model underpinning the structure of the organisation's activities because, being an African based and headquartered organisation, the ability to raise unrestricted funding is a particular challenge for us. These financial statements also record the net position of the fundraising office set up in the Netherlands to coordinate and support the Amref Health Africa fundraising offices in Europe and North America. Set up as a foundation and controlled by the Company, the Fundraising Foundation has played an important role in investments made in our fundraising activities in the Global North as we seek to grow our unrestricted income across the globe.

During the year the Organisation also reserved parts of the unrestricted donation of US\$50m received from the Silicon Valley Community Trust in 2021. A total of about US\$25m will be spent on the development of the first phase of the new campus for Amref International University in Ruiru, Kenya, with construction work starting in 2023, and US\$10m will be invested in the implementation of the Individual Giving strategy across the Amref Health Africa offices in Europe and North America.

The overall surplus for the year ended 31 December 2022 of US\$15m has nearly doubled the reserves of the Organisation, significantly strengthening the balance sheet. A change of policy to recognise our land holdings at valuation rather than at cost has been the major driver in this much improved position. The liquidity of the Group has remained strong, with further growth of US\$ 23.9 million in the net cash, cash equivalents and investments in securities held within the organisation. As a result, Amref Health Africa has ended the financial year in a stable financial position, well placed to grow further in the coming years as the impact of the planned investments bear fruit.

The previous Corporate Strategy of the Organisation ran from 2018 to 2022; the new one has recently been launched covering the period from 2023 to 2030. This new Strategy is built on all that has been achieved over the last five years, and takes account of the latest trends affecting the sector as well as our fast-developing relationships across the world. It recognises Amref Health Africa's position as a leader in the health development agenda in Africa. At the core of the organisation's ambition is its vision for lasting health change in Africa and its mission to catalyse and develop community-led and people-centred health systems while addressing the social determinants of health.

The Board has agreed written principles for overall risk management, as well as policies covering specific entities and functions. The Group has continued to conduct thorough risk review assessments in line with the risk management framework and the Board considers changes in the risk profile and mitigating actions being undertaken by management at its meetings.

The Audit, Risk and Compliance Committee of the Board reviews the work of the Group's risk, internal audit and compliance functions to ensure that the risk profile of the Group is given the high priority and focus that it requires.

5. RESULTS

The Group's results for the year are set out on page 10.

6. RESERVES

The Directors have adopted a reserves policy that anticipates the Group holding cash reserves equivalent to 3 months' operating costs. This has been achieved in 2022.

7. STATEMENT AS TO DISCLOSURE TO THE GROUP'S AUDITOR

With respect to each Director at the time this report was approved:

- a) there is, so far as the person is aware, no relevant audit information of which the Group's auditor is unaware; and
- b) the person has taken all the steps that the person ought to have taken as a Director so as to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

8. DIRECTORS

The names of the Directors who held office during the year and to the date of this report are set out on page 1.

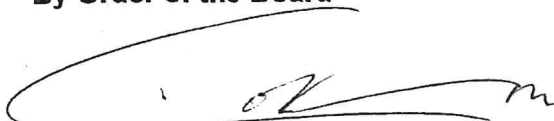
9. TERMS OF APPOINTMENT OF THE AUDITOR

Deloitte & Touche LLP were appointed as auditors during the year in accordance with the Company's Articles of Association and Section 719 of the Companies Act, 2015. The Directors monitor the effectiveness, objectivity and independence of the auditor. The Directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed remuneration has been charged to the Company's statement of profit or loss in the year.

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved at the meeting of the Board of Directors held on 13 June 2023.

By Order of the Board



Dr. Charles Okeahalam

Chair

29 June 2023

The Kenyan Companies Act, 2015 requires the Directors to prepare financial statements for each financial year that give a true and fair view of its profit or loss for that year and of the financial position of the Group as at the end of the financial year. It also requires the Directors to ensure that the Group keeps proper accounting records that: (a) show and explain the transactions of the Group; (b) disclose, with reasonable accuracy, the financial position of the Group; and (c) enable the Directors to ensure that every financial statement required to be prepared complies with the requirements of the Kenyan Companies Act, 2015.

The Directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- (i) designing, implementing and maintaining such internal control systems as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (ii) selecting suitable accounting policies and applying them consistently; and
- (iii) making accounting estimates and judgements that are reasonable in the circumstances.

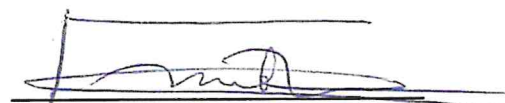
Having made an assessment of the Group's ability to continue as a going concern, the Directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's ability to continue as a going concern.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 13 June 2023 and signed on 29 June 2023 on its behalf by:



Dr. Charles Okeahalam
Chair



Mr. Frank Ileri
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMREF HEALTH AFRICA

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Amref Health Africa and its subsidiaries (the Group), set out on pages 10 to 54, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in reserves and funds and consolidated statement of cash flows, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Kenyan Companies Act, 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Company Information, Report of the Directors and Statement of Directors' Responsibilities as required by the Kenyan Companies Act, 2015. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon, other than that prescribed by Kenyan Companies Act, 2015.



Partners: D.M. Mbogho; A.N. Muraya; F. O. Aloo; J. Nyang'aya; B.W. Irungu; I. Karim; F. Okwiri; F.O Omondi; F. Mitambo; P. Seroney; D. Waweru; C Luo.

Deloitte & Touche, a partnership with registration No. 177912, converted to Deloitte & Touche LLP Registration No. LLP-A21DDP effective 14 June 2021

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT (continued)
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other Information (Continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The consolidated financial statements for Amref Health Africa for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on June 29, 2022.

Responsibilities of Management and Directors for the consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting processes.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

INDEPENDENT AUDITOR'S REPORT (continued)
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Auditor's Responsibilities for the Audit of the Financial consolidated Statements (Continued)

- Conclude on the appropriateness of the management use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion, the information given in the report of the Directors on pages 3 to 5 is consistent with the consolidated financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Patricia Seroney, Practising Certificate No. 2434.



For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi, Kenya

30 June 2023

		2022			2021
	Notes	NGO activities	Social enterprise activities	Fundraising Foundation activities	Total
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
INCOME					
Grant funds – Restricted	4(a)	187,661	591	-	188,252
Grant funds – Unrestricted	4(b)	4,677	-	-	4,677
Other income	5	2,657	-	-	2,657
Finance income	6	1,154	-	-	1,154
Social enterprise income	7(a)	-	24,064	-	24,064
Fundraising foundation income	9(a)	-	-	670	670
Total income		196,149	24,655	670	221,474
EXPENDITURE					
Social enterprise expenditure	7(b)	-	24,998	-	24,998
Direct programme activities	8(a)	173,181	-	-	173,181
Country office administration costs	8(b)	11,752	-	-	11,752
Corporate office costs	8(c)	11,560	-	-	11,560
Fundraising foundation expenditure	9(b)	-	-	731	731
Loss on disposal	13	-	-	-	-
Total expenditure	8(d)	196,493	24,998	731	222,222
(Deficit) / Surplus for the year		(344)	(343)	(61)	(748)
OTHER COMPREHENSIVE INCOME					
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>					
Net loss on investment at fair value through other comprehensive income	14	(2,336)	-	-	(2,336)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>					
Revaluation surplus	11	10,341	7,828	-	18,169
Foreign exchange differences on translation of fundraising foundation				(53)	(53)
Total comprehensive income for the year		7,661	7,485	(114)	15,032
					11,827

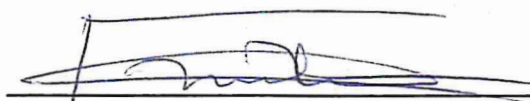
AMREF HEALTH AFRICA (A Company Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 US\$ '000	2021 US\$ '000
ASSETS			
Non-current assets			
Property and equipment	11	42,055	23,014
Intangible assets	12	51	89
Right of use assets	22	507	274
Total non-current assets		42,613	23,377
Current assets			
Inventories	16	1,086	1,031
Receivables and prepayments	17	17,555	12,056
Grants receivable	18 (a)	10,795	7,460
Investments at fair value through other comprehensive income	14	37,402	-
Cash and bank balances	19	80,716	94,158
Total current assets		147,554	114,705
TOTAL ASSETS		190,167	138,082
FUNDS AND LIABILITIES			
Reserves and funds			
Accumulated reserve		9,260	12,224
Fundraising Foundation reserve		789	835
Translation reserve		(68)	-
Revaluation reserve		21,734	3,624
Total reserves and funds		31,715	16,683
Non-current liabilities			
Deferred income	20 (b)	25,000	35,000
Lease liabilities	22	402	204
Total non-current liabilities		25,402	35,204
Current liabilities			
Unexpended grants	18 (b)	100,002	61,591
Payables and accruals	20 (a)	22,855	18,423
Deferred income	20 (b)	10,036	6,077
Lease liabilities	22	157	104
Total current liabilities		133,050	86,195
TOTAL FUNDS AND LIABILITIES		190,167	138,082

The financial statements on pages 10 to 54 were authorised for issue by the Board of Directors on 13 June 2023 and were signed on 29 June 2023 on its behalf by:



Dr. Charles Okeahalam
Chair



Mr. Frank Ileri
Director

	Accumulated reserve	Fundraising Foundation reserve	Translation reserve	Revaluation reserve	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
At 1 January 2021	732	515	45	3,624	4,916
Total comprehensive income for the year	11,827	-	-	-	11,827
Transfer of Fundraising Foundation reserve	(335)	335	-	-	-
Adjustment of translation reserve	-	(15)	(45)	-	(60)
At 31 December 2021	12,224	835	-	3,624	16,683
At 1 January 2022	12,224	835	-	3,624	16,683
(Deficit) / Surplus for the year	(3,137)	-	-	-	(3,137)
Revaluation surplus	-	-	-	18,169	18,169
Transfer of Fundraising Foundation reserve	114	(61)	(53)	-	-
Adjustment of translation reserve *	-	15	(15)	-	-
Transfer of revaluation reserve **	59	-	-	(59)	-
At 31 December 2022	9,260	789	(68)	21,734	31,715

The accumulated reserve is mainly made up from accumulated surpluses from the past.

The Fundraising Foundation reserve was created to hold the net fund balance retained in the Global Fundraising Development Office, which was set up in the Netherlands in 2019 to coordinate and support Northern Office fundraising initiatives to build the capacity of Amref Health Africa offices in the Global North. The balance held in the Fundraising Foundation will be utilised in subsequent periods for further investment activities.

The translation reserve represents exchange differences arising upon translation from functional currency to presentation currency for Global Fundraising Development Office.

The revaluation reserve resulted from an increase in the carrying amount of land and buildings that arose on revaluation.

*Adjustment of translation reserve in 2022 is a correction of the net translation loss for the Fundraising Foundation previously transferred out of translation reserve.

**This is a transfer of the revaluation reserve land and buildings to accumulated reserves.

	Notes	2022 US\$ '000	2021 US\$ '000
Cashflows from operating activities			
(Deficit)/Surplus for the year		(748)	11,827
Adjustments for:			
Depreciation of property and equipment	11	1,897	1,491
Depreciation of right of use assets	22	227	116
Loss on disposal of asset held for sale	13	-	219
Amortisation of intangible assets	12	41	27
Provision for receivables and prepayments	17	61	99
Provision for grant receivables	18 (a)	1,180	126
Loss on foreign currency exchange rates		509	433
Finance costs	22	10	267
Finance income	6	(1,154)	(463)
Working capital adjustments:			
Increase in inventories		(55)	(241)
(Increase)/decrease in receivables and prepayments		(5,560)	2,221
(Increase)/decrease in grants receivable		(4,515)	903
Increase in unexpended grants		38,411	21,786
Increase in payables and accruals		4,433	2,405
(Decrease)/increase in deferred revenue		(6,041)	39,840
Net cash flows from operating activities		28,696	81,056
Cashflows from investing activities			
Purchase of property and equipment	11	(2,816)	(5,153)
Proceeds on disposal of property and equipment	13	-	1,700
Purchase of investment securities	14	(39,000)	-
Costs relating to available for sale asset		-	(30)
Purchase of intangible assets	12	(3)	(69)
Proceeds from maturities of fixed deposits	15	-	550
Interest received	6	416	463
Net cash flows used in investing activities		(41,403)	(2,539)
Cashflows from financing activities			
Repayment of borrowings	21	-	(1,960)
Interest paid on borrowings		-	(243)
Lease payments made	22	(219)	(5,596)
Net cash flows used in financing activities		(219)	(7,799)
Net increase in cash and cash equivalents		(12,926)	70,718
Cash and cash equivalents at 1 January		94,158	23,913
Effect of foreign exchange rate changes		(516)	(473)
Cash and cash equivalents at 31 December	19	80,716	94,158

1. GENERAL INFORMATION

Amref Health Africa is a Non-Governmental Organisation incorporated in Kenya under the Companies Act, 2015 as a company limited by guarantee and domiciled in Kenya. The Group is principally engaged in activities aimed at improving community health, capacity building through training and outreach and advocating for changes to improve the health and well-being of the African people as detailed in Note 27.

Amref Health Africa consolidated financial statements incorporate the financial statements of our not for profit activities delivered through (i) Amref Health Africa Headquarters, Amref Health Africa in Ethiopia, Amref Health Africa in Kenya, Amref Health Africa in Malawi, Amref Health Africa in South Sudan, Amref Health Africa in Tanzania, Amref Health Africa in Uganda, Amref Health Africa in West Africa and Amref Health Africa in Zambia, together with (ii) social enterprise activities delivered through Amref Flying Doctors Limited and Amref International University and (iii) the Global Fundraising Development Office, together herein referred to as “the Group” all of which are included for the year ended 31 December 2022. In 2018 the Company registered a new social enterprise entity in Kenya, Amref Enterprises Limited which in 2020 changed its name to Amref Health Innovations Limited. This company began trading on 1 January 2023. The activities that have been transferred to Amref Health Innovations Limited were delivered by the Company during the period under review. The work of the Global Fundraising Development Office is to coordinate and support fundraising activities in the Amref Health Africa offices in the Global North and is delivered through a Netherlands-based foundation.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for land and buildings carried under the revaluation model. The consolidated financial statements are presented in United States Dollars and all values are rounded to the nearest thousand (US\$'000'), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

b) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the Kenyan Companies Act, 2015.

For the Kenyan Companies Act, 2015 reporting purposes, in consolidated these financial statements the balance sheet is represented by/is equivalent to the consolidated statement of financial position and the profit and loss account is presented in the consolidated statement of profit or loss and other comprehensive income.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies adopted by the Group. Although such estimates and assumptions are based on the management's best knowledge of the information available, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions thereto are recognised in the period of revision and future periods, where applicable, refer to Note 3.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period.
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period.
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

e) Adoption of new and revised International Financial Reporting Standards (IFRSs)

i) *New standards and amendments to published standards effective for the year ended 31 December 2022*

Several other amendments and interpretations listed below apply for the first time in 2022, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

Effective for annual periods beginning on or after 1 January 2022

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- AIP IAS 41 Agriculture – Taxation in fair value measurements

The Directors have evaluated the impact of their new standards and interpretations and none of them had a significant impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

ii) Standards issued but not effective in the year ended 31 December 2022

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. These standards are not expected to have a material impact on the Group's financial statements.

Effective for annual periods beginning on or after 1 January 2023

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

Effective for annual periods beginning on or after 1 January 2024

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

f) Income recognition

- i. Restricted grant funds (grants received for specific purposes) from contracts with donors relating to expense items are recognised when expenditure is incurred and grant conditions outlined in various grant agreements are fulfilled. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

- ii. Unrestricted grant income (non-specific grants) is recognised when received or when firm commitment has been obtained from the donors. The income is adjusted for funds not committed by the Group in a specific financial year which are deferred to future years;
- iii. Air ambulance recoveries are recognised in the period the service is provided;
- iv. Other income from commercial activities including medical and assistance services, subscription income, interest income and training income are recognised when earned;
- v. Donations in kind are recognised in the financial statements at the amount attributed to the donation by the donor, or in the absence of this, at their estimated fair market value;
- vi. Other income is recognised when received, earned or invoiced depending on its nature; and,
- vii. Interest income is recognised when earned. It is recorded using the effective interest rate method. The effective interest rate amortisation is included in finance income in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The Group has financial instruments measured at fair value through OCI.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of related party borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amounts owed to related parties and borrowings from related parties.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

Subsequent measurement of financial assets

For purposes of subsequent measurement, all the Group's financial assets are classified as financial assets at amortised cost (debt instruments). The Group's financial assets in the statement of financial position are trade and other receivables, cash and bank balances and fixed term deposits.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For all the Group's financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

Derecognition of financial instruments

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category applies to interest bearing loans and borrowings. Refer to Note 21 for more information.

Other financial liabilities

Other financial liabilities (including trade and other payables) are initially measured at their fair values plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to acquisition or issue of the financial liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Fair values measurement

The group measures financial instruments such as investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Fair values (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as property. Involvement of external valuers is decided upon through competitive bidding from a panel of prequalified vendors and approved by management. For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

i) Property and equipment

Property and equipment are initially recorded at cost, and subsequently stated at historical cost less depreciation. Such cost includes the purchase price, directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating, the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria is met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Assets donated to the Group are included in the financial statements at the amount attributed to them by the donor. Property and equipment purchased for donor-funded health programmes are expensed in the year of purchase. All other property and equipment are capitalised and stated at cost less depreciation and any accumulated impairment losses, if any.

The Group changed its accounting policy for buildings from cost to revaluation model as from 31 December 2017. The Group has been holding its land at nominal value or cost and in 2022 it has changed its policy to revaluation. Land and buildings across the Group will be revalued every 5 years and hence have been revalued at 31 December 2022. Land and buildings are stated at their revalued amounts, being the fair values at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed on an open market basis based on a professional valuer's report.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Property and equipment (continued)

Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Depreciation is calculated on the straight-line basis to write down the cost of each asset, to its residual value over its estimated useful life as follows:

Buildings	25-40 years
Aircraft – Hull & Engine	5.0 % p.a.
Motor vehicles, medical, surgical and radio equipment	25.0% p.a.
Furniture, fittings and general equipment	12.5% p.a.
Information technology hardware and software	33.3% p.a.
Leasehold land is depreciated over the remaining period of the lease	

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Revaluation surplus is transferred as the asset is used by an entity. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The Group does not have any intangible assets with indefinite useful lives.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss i.e. the difference between the sales proceeds and the carrying amount of the asset, arising upon derecognition of the asset is included in the profit or loss.

l) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. Provision is made for obsolete and defective stocks.

m) Receivables and prepayments

Receivables and prepayments are stated at nominal value less write-down for any amounts expected to be irrecoverable.

n) Grants receivable and unexpended grants

Grants received for specific purposes are treated as unexpended grants and credited to the profit or loss when the activities for which they were provided for have been undertaken. The unexpended grants are measured at the value at which the funding is received from the donor. Any unexpended grants at the end of the reporting period are carried forward as liabilities. Excess of allowable expenditure over receipts for specific grants are recognised as revenue and included in the financial statements as grants receivable from donors.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss, except for property and equipment previously revalued with the revaluation taken to OCI. For such property and equipment, the impairment is recognised in OCI up to the amount of any previous revaluation.

An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, current market conditions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

p) Employee benefits

Retirement benefit obligations

The Group operates a defined contribution retirement benefit scheme for all its local employees. In respect of international staff i.e. non-residents, the Group contributes to individual retirement benefit schemes chosen by the staff concerned.

The Group contributes 14% of employee basic pay (resident and non-resident) to the defined contribution scheme and the amounts are charged to profit or loss in the year to which they relate. The Group also contributes to the statutory defined contribution pension scheme in the various countries of operation.

Other entitlements

Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to the reporting date.

The estimated monetary liability for employees accrued annual leave entitlement at the end of the reporting period is recognised as an expense accrual.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Foreign currency transactions

Transactions in foreign currencies are converted to US dollars using the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated to US dollars using the exchange rates ruling at the reporting date. Resulting exchange gains and losses are recognised in the statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rates ruling at the date of the transaction.

r) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances, with a maturity of 90 days or less from the date of acquisition. Bank overdrafts are payable on demand and form an integral part of the cash management and are included as a component of cash and cash equivalents for the purposes of the statement of cash flow, where applicable.

s) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i). Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Leases (continued)

ii). Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii). Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period:

i). Useful lives of property and equipment

The Group reviews the estimated useful lives, depreciation method and residual values of property and equipment at the end of each reporting period. In reviewing the useful lives of property, plant and equipment, the Group considers the remaining period over which an asset is expected to be available for use. Further details are provided in Note 2(h) and 11.

ii). Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For all the Group's financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The Group considers a financial asset in default when contractual payments remain uncollected past the timelines set in each of the component entity's policy. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Further details are provided in Note 25.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

iii). Allowance for obsolete inventories

Management reviews the inventories on an annual basis to assess the likelihood of obsolescence. In determining whether an inventory item is obsolete, management make judgment as to whether the inventory item can be used within the Group or is in saleable condition. Allowance for obsolete inventories in the current year has been disclosed in Note 16.

iv). Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Further details are provided in Note 2(h), 2(j), 11 and 12.

v). Impairment of right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Further details are provided in Note 2(s) and 11.

vi). Assets held for sale

For an asset to be classified as held-for-sale it needs to meet the following criteria:

- Management commits to a plan to sell the asset (e.g., identifying the asset, setting an expected date of completion, etc.)
- The asset is available for sale in its present condition
- Management has initiated an active program to locate a buyer (e.g. marketing or initiating discussions with third parties)
- The sale is probable and is expected to close within 1 year
- The selling price is reasonable in relation to the asset's current fair value
- It is unlikely there will be any changes in or withdrawal of the plan to sell the asset

4. GRANT FUNDS

(a) Grant funds – Restricted

	NGO activities US\$ '000	Social enterprise activities US\$ '000	2022 Total US\$ '000	2021 Total US\$ '000
Grants receivable brought forward (Note 18(a))	(7,460)	-	(7,460)	(8,489)
Unexpended grants brought forward (Note 18(b))	61,209	382	61,591	39,805
Net grant funds brought forward	53,749	382	54,131	31,316
Grants received during the year	221,594	538	222,132	163,706
Total grants available for operations	275,343	920	276,263	195,022
Add: Grants receivable (Note 18(a))	10,640	155	10,795	7,460
Less: Unexpended grants (Note 18(b))	(99,518)	(484)	(100,002)	(61,591)
Receivable grants written off (Note 18(a))	16	-	16	310
Provision for bad and doubtful receivables (Note 18(a))	1,180	-	1,180	126
Grant income recognised for the year	187,661	591	188,252	141,327

(b) Grant funds – Unrestricted

	2022 US\$ '000	2021 US\$ '000
Balance brought forward	41,542	2,251
Grant funds received	1,013	50,877
Reassignment to programmes	(2,842)	-
Less: Deferred income	(35,036)	(41,542)
Net unrestricted grant income	4,677	11,586

Unrestricted grant funds received in 2021 include a one-off exceptional gift of US\$50m from Silicon Valley Community Trust of which the Board of Directors decided to utilise US\$10m to strengthen the reserves of the Organisation while the remainder is being utilised over a number of years and released to the income statement to match expenditures incurred in a particular year. The gift will transform the lives of many beneficiaries across the continent, through direct programme work, University campus development, policy and advocacy work with governments and multi-lateral agencies, together with capacity building activities both in person and virtually. The Board of Directors has approved the allocation of US\$25.5m to build the first phase of the new Amref International University campus in Ruiru, Kiambu County, Nairobi Metropolitan, Kenya.

5. OTHER INCOME

	2022	2021
	US\$ '000	US\$ '000
Enterprise activities	557	2,766
Fundraising activities	301	193
Miscellaneous income	1,799	1,594
Total	2,657	4,553

Miscellaneous income includes revenue generated under NGO activities.

6. FINANCE INCOME

	NGO activities	Social enterprise activities	2022 Total	2021 Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Interest income at amortised cost	416	-	416	463
Interest income at fair value through other comprehensive income	738	-	738	-
Total	1,154		1,154	463

7. SOCIAL ENTERPRISES

The social enterprises are wholly owned by the Company and are Amref Flying Doctors and Amref International University. Amref Flying Doctors specialises in air ambulance services. Its aim is to achieve profitable business growth while providing efficient and effective aero-medical patient transport locally, regionally and internationally to a wide clientele. Surpluses are generated by Amref Flying Doctors on a tax-exempt basis and are important in helping Amref Health Africa achieve its fundraising targets and meet its financial obligations.

The Amref International University is an accredited institution of higher learning focused on training in health sciences. With partnerships with other universities in Africa and Europe, the University focusses primarily on health sciences with a commitment to progressively develop innovative programmes catering for the present and future needs of African populations.

Amref Enterprises Limited was registered in 2018 to facilitate the development of further social enterprises within the Group. It was renamed to Amref Health Innovations Limited in 2020. It began trading on 1 January 2023 and the activities earmarked to be delivered through Amref Health Innovations Limited were transferred from the Company on that date.

7. SOCIAL ENTERPRISES (Continued)

	2022	2021
	US\$ '000	US\$ '000
(a) Income from social enterprises		
Air ambulance income	14,509	17,482
Medical and assistance services	4,199	2,748
Subscription income	2,440	1,888
Contract business	2,536	2,593
Training income	21	262
Other income	359	133
Total	24,064	25,106

	2022	2021
	US\$ '000	US\$ '000
(b) Expenditure related to social enterprises		
Direct costs	13,013	14,499
Personnel costs	7,293	6,250
Other operating costs	2,169	2,475
Net impairment movement of trade & student receivables	81	(99)
Depreciation	1,614	1,141
Marketing costs	296	278
Finance costs	249	319
Amortisation of intangible assets	41	32
Corporate recharge from Headquarters	242	230
Total	24,998	25,125

8. EXPENDITURE

(a) Direct programme activities		
Personnel costs	39,428	30,898
Travel costs	34,045	27,727
Motor vehicle costs	3,440	2,797
Communication costs	2,180	2,860
Rent and utility costs	1,618	1,420
Professional fees	9,568	4,550
Sub-award costs	49,487	27,459
Project costs	32,616	30,790
Other direct programme costs	799	554
Total	173,181	129,055

8. EXPENDITURE (continued)

(b) Country Office administration costs

Personnel costs	7,427	5,961
Travel costs	744	355
Motor vehicle costs	139	144
Communication costs	179	158
Rent and utility costs	62	156
Professional fees	433	485
Supplies and services	754	816
Other administrative costs	134	555
Depreciation and provisions	1,880	654
Total	11,752	9,284

(c) Corporate Office costs

	2022	2021
	US\$ '000	US\$ '000
Personnel costs	6,517	5,271
Travel costs	1,886	295
Motor vehicle costs	9	23
Communication costs	314	320
Professional fees	1,715	1,294
Supplies and services	642	303
Finance costs	378	237
Depreciation and provisions	99	117
Total	11,560	7,860

(d) Analysis of total expenditure

Restricted expenditure (note 4 (a))	188,252	141,327
Other expenditure	33,970	31,331
Total	222,222	172,658

9. FUNDRAISING FOUNDATION

The Global Fundraising Development Office was set up in the Netherlands in 2019 to coordinate and support Northern Office fundraising initiatives to build the capacity of Africa Health Africa offices in the Global North.

(a) Income

Contributions received	632	1,331
Fundraising activities	37	119
Other income	1	-
Total	670	1,450

(b) Expenditure

General costs	667	372
Investment costs	64	715
Fundraising events	-	28
Total	731	1,115

10. (DEFICIT) / SURPLUS FOR THE YEAR

	2022	2021
	US\$ '000	US\$ '000
The surplus/(deficit) is arrived at after charging the following:		
Depreciation (note 11)	1,897	1,491
Amortisation (note 12)	41	27
Personnel costs (notes 7 & 8)	60,665	48,380
Auditor's remuneration	203	186

The following items are included within personnel costs:

Retirement benefit costs - defined contribution plans	6,113	4,874
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The Group has a policy to offer its staff fringe benefits at the following rates; pension benefits at 14% of salary cost, medical benefits at 8%, allocations to the training fund at 2% and security allocations at 1% of salary cost. Where the national law or circumstances requires higher rates, this has been adopted.

11. PROPERTY AND EQUIPMENT

	Land and buildings ^c	Aircraft	Motor vehicles	Furniture, fittings & general equipment	Work in progress ^{a & b}	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cost						
At 1 January 2021	6,574	5,030	2,047	4,896	910	19,457
Additions	61	4,077	145	647	223	5,153
Transfer from Work in progress	66	505	-	252	(843)	(20)
Transfer from Right of use assets ^d	-	7,747	-	-	-	7,747
Disposals	-	-	(47)	-	-	(47)
At 31 December 2021	6,701	17,359	2,145	5,795	290	32,290
At 1 January 2022	6,701	17,359	2,145	5,795	290	32,290
Additions	352	85	323	771	1,285	2,816
Disposals	-	-	(133)	(5)	-	(138)
Revaluation adjustment	18,169	-	-	-	-	18,169
Depreciation transfer	(1,007)	-	-	-	-	(1,007)
Transfer from Work in Progress	-	-	-	176	(176)	-
Adjustments	(42)	-	-	-	(23)	(65)
At 31 December 2022	24,173	17,444	2,335	6,737	1,376	52,065
Depreciation						
At 1 January 2021	596	853	1,709	4,125	-	7,283
Charge for the year	206	700	174	411	-	1,491
Adjustment of accumulated depreciation of asset held for sale	-	(117)	-	-	-	(117)
Transfer from Right of use assets ^d	-	666	-	-	-	666
Disposal	-	-	(47)	-	-	(47)
At 31 December 2021	802	2,102	1,836	4,536	-	9,276

11. PROPERTY AND EQUIPMENT (continued)

	Land and buildings ^d	Aircraft	Motor vehicles	Furniture, fittings & general equipment	Work in progress ^{a & c}	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
At 1 January 2022	802	2,102	1,836	4,536	-	9,276
Charge for the year	223	896	193	585	-	1,897
Disposal	-	-	(133)	(5)	-	(138)
Depreciation transfer	(1,007)	-	-	-	-	(1,007)
Adjustment	(18)	-	-	-	-	(18)
At 31 December 2022	-	2,998	1,896	5,116	-	10,010
Net book value						
At 31 December 2021	5,899	15,257	309	1,259	290	23,014
At 31 December 2022	24,173	14,446	439	1,621	1,376	42,055

- a) The capital work in progress balance at the start of 2021 related to building modification costs and aircraft engine overhaul costs which were capitalised in 2021.
- b) The capital work in progress balance relates to medical equipment, satellite maintenance equipment that were acquired and are yet to be capitalised and a pre-ordered aircraft engine.
- c) Included in land and buildings is Amref Flying Doctors property with a net book value of US\$1,645,000 which have been built on leasehold land. Amref Flying Doctors had a lease on land allotted by the Government of Kenya on 1 October 1997 for a period of 25 years which expired in 2022 and the Company has applied for a renewal which the Board of Amref Flying Doctors anticipates will be granted in the coming months.
- d) In 2021, the management of Amref Flying Doctors decided to repay the aircraft leases in full before maturity to take advantage of lower interest rates on US dollar denominated loans. The aircraft lease liabilities were repaid in full in 2021.

11. PROPERTY AND EQUIPMENT (continued)

- e) If buildings were measured using the cost model, the carrying amounts would be as follows:

	2022	2021
	US\$ '000	US\$ '000
Cost	5,977	5,626
Less: Accumulated depreciation	(3,092)	(2,951)
Charge for the year	(149)	(141)
Net carrying amount	2,736	2,534

The property and equipment is not pledged as security for Group liabilities.

- f) Fair value measurement on group land and building

The Group's land and buildings are stated at their revalued amounts, being the fair values at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's land and buildings as at 31 December 2022 were performed by Joe Musyoki Consultants independent valuers not related to the Group.

Joe Musyoki Consultants' valuations and appraisals are carried in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards and are Uniform Standards of Professional Appraisal Practice (USPAP) compliant.

The fair value of the land was determined based on the market comparable approach. The valuation was performed by applying the relevant price per unit for land obtained from market survey of properties in close proximity to and of a similar nature and use to the land under review.

The fair value of the buildings was determined using the cost approach. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost). From the perspective of a market participant seller, the price that would be received for the asset is based on the cost to a market participant buyer to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

There has been no change in the valuation technique during the year.

The following table gives information about how the fair values of these non-financial assets are determined (in particular, the valuation technique(s) and inputs used).

11. PROPERTY AND EQUIPMENT (continued)

There were no transfers between the levels during the current or prior year.

At 31 December 2022					
	Amount	Fair value hierarchy	Valuation technique	Significant unobservable input	Relationship of unobservable inputs to fair value
	US\$'000				US\$'000
Land	15,989	Level 2	Market comparable approach	Price per unit for land obtained from market survey of properties in close proximity to land under review	A slight increase in the price per unit would result in a significant increase in fair value, and vice versa
Buildings	8,184	Level 3	Cost approach	Building cost per unit	A slight increase in the cost per unit would result in a significant increase in fair value, and vice versa

At 31 December 2021					
	Amount	Fair value hierarchy	Valuation technique	Significant unobservable input	Relationship of unobservable inputs to fair value
	US\$'000				US\$'000
Land	-	Level 2	-	-	-
Buildings	5,899	Level 3	Cost approach	Building cost per unit	A slight increase in the cost per unit would result in a significant increase in fair value, and vice versa

12. INTANGIBLE ASSETS

	2022	2021
	US\$ '000	US\$ '000
Cost		
At 1 January	541	472
Additions	3	69
At 31 December	544	541
Amortisation		
At 1 January	452	425
Charge for the year	41	27
At 31 December	493	452
Net book value		
At 31 December	51	89

Intangible assets relate to Enterprise Resource Planning and other software in use in the Group to support efficiency in its operations.

13. ASSETS HELD FOR SALE

	2022	2021
	US\$ '000	US\$ '000
At 1 January	-	2,006
<u>Additional costs and adjustments</u>		
Pre-sale inspection cost	-	55
Brokerage selling services	-	51
Credit on maintenance program fund	-	(76)
Adjustment of accumulated depreciation on assets held for sale	-	(117)
Adjusted carrying amount	-	1,919
Cash received on disposal	-	(1,700)
Loss on disposal	-	(219)
At 31 December	-	-

In March 2020, the Board of Amref Flying Doctors decided to sell one of the Group's aircraft - registration number 5Y FDE. This aircraft was still being held for sale as at 1 January 2021. The aircraft was sold in February 2021 for US\$ 1.7m with the resulting loss on disposal being recognised through the statement of profit or loss.

14. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In 2021, the Organisation received a one-off exceptional gift of US\$50m from Silicon Valley Community Trust of which the Board of Directors decided to utilise US\$10m to strengthen the reserves of the organisation while the remainder is being utilised over a number of years and released to the income statement to match expenditures incurred in a particular year. Considering the funds will be utilised over an extended period, the Board made a decision to invest the funds through a Global reputable investment firm and US\$ 39m was invested in March 2022 with Pacific Investment Management Company LLC (PIMCO). The primary goals of the investment were, retaining capital and reducing counter party risk. The Global economic crisis however hit soon after, meaning the investment value fell subsequently but progress towards recovery was seen towards the end of the year. The approach adopted by the Board has helped to keep the losses lower than general movements in the overall market.

(a) Fair value on investments

	As at 01-Jan-22 US\$ '000	Additions US\$ '000	Interest US\$ '000	Fair value gains /(losses) US\$ '000	As at 31-Dec-22 US\$ '000
Low Duration Global Investment Grade Credit Fund	-	16,500	241	(741)	16,000
Global Bond Fund	-	3,500	64	(376)	3,188
Income Fund	-	4,000	170	(297)	3,873
Global Real Return Fund	-	1,000	60	(220)	840
Diversified Income Fund	-	1,500	53	(203)	1,350
US Short-Term Fund	-	1,500	-	11	1,511
Low Average Duration Fund	-	11,000	150	(510)	10,640
	-	39,000	738	(2,336)	37,402

15. FIXED TERM DEPOSITS

	2022	2021
	US\$ '000	US\$ '000
Chase Bank (Kenya) Limited (In receivership) (Kenya Shilling deposits)	384	384
Chase Bank (Kenya) Limited (In receivership) (USD deposits)	332	332
	716	716
Impairment provision on fixed deposits	(716)	(716)
At 31 December	-	-
Analysis of the movement in fixed term deposits:		
At 1 January	-	550
Matured during the year	-	(550)
At 31 December	-	-

On 7 April 2016, the Central Bank of Kenya placed Chase Bank Kenya Limited under receivership due to liquidity difficulties experienced by the bank rendering the accounts held by Amref Flying Doctors inaccessible. On 4 January 2018 the Central Bank of Kenya and Kenya Deposit Insurance Corporation announced the receipt and acceptance of an offer from SBM Holdings Kenya Limited with respect to certain assets and liabilities of Chase Bank Kenya. The offer was documented in an agreement that 75% of the value of deposits was guaranteed and would become accessible to depositors through a scheduled payment plan. Of the guaranteed 75%, 37.5% was accessible immediately and the balance in three equal tranches over a 3-year period. The balances of the guaranteed 37.5% of the deposits became available in August 2019, August 2020 and August 2021. These balances have been made accessible to the Group.

The accessibility of the final 25% of the value of deposits depends on the outcome of the collection process being undertaken by the Central Bank of Kenya. To cushion the Group against any potential non-recoverability, a decision to fully provide for 25% of the fixed deposits held by Amref Flying Doctors of US\$ 716,000 was made in 2017. To date no proceeds have been received from the collection process.

16. INVENTORIES

	2022	2021
	US\$ '000	US\$ '000
Aircraft spares	483	433
Provision for obsolete stocks	(82)	(82)
	401	351
Printed books and manuals	78	88
Sundry stocks	607	592
Total	1,086	1,031

The inventory is not pledged as security for Group liabilities.

17. RECEIVABLES AND PREPAYMENTS

Trade and student receivables	3,299	3,511
Amref Health Africa European and North American offices	571	641
Programme advances	463	506
Grants to partners	12,975	7,138
Other receivables	1,311	1,380
Provision for bad and doubtful debts	(1,064)	(1,120)
Total	17,555	12,056
The movement in provisions is as follows:		
At 1 January	1,120	1,722
Increase in provisions	61	99
Write offs	(117)	(701)
As at 31 December	1,064	1,120

18. GRANTS RECEIVABLE AND UNEXPENDED GRANTS

(a) Grants receivable

Grants receivable represent expenditure incurred on projects in which there are commitments from donors where the grant had not been received as at the end of the financial year.

	2022	2021
	US\$ '000	US\$ '000
Restricted	12,390	7,891
Provision for doubtful grants	(1,595)	(431)
Total	10,795	7,460
The movement in provisions is as follows:		
At 1 January	431	615
Increase in provisions	1,180	126
Write offs	(16)	(310)
	1,595	431

(b) Unexpended grants

Unexpended grants represent grants and donations received in advance of expenditure which remain unutilised as at the end of the financial year.

	2022	2021
	US\$ '000	US\$ '000
Unexpended grants	100,002	61,591

19. CASH AND BANK BALANCES

	2022	2021
	US\$ '000	US\$ '000
Cash in hand	134	77
Cash at bank	80,582	94,081
Total	80,716	94,158

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, cash at bank and short-term deposits with a maturity period of less than three months. The weighted average effective interest rate on the short terms deposit for the year ended 31 December 2022 was 5% (2021: Nil)

20. PAYABLES, ACCRUALS AND DEFERRED INCOME

a) Payables and accruals

	2022	2021
	US\$ '000	US\$ '000
Trade payables	15,801	13,652
Grants to partners	1,845	9
Amref Health Africa European and North American offices	402	568
Other payables	4,807	4,194
Total	22,855	18,423

b) Deferred income

Within one year	10,036	6,077
More than one year	25,000	35,000
Total	35,036	41,077

Included in deferred income is US\$35m from Silicon Valley Community Trust. This amount will be utilised over a number of years and released to the profit and loss statement in a phased manner to match earmarked direct programme expenditures approved to be spent in a particular year. The organisation intends to spend around US\$10m in 2023 and this amount is considered as short term deferred income for the purposes of presentation in these financial statements while the remainder is classified as long term.

21. BORROWINGS

	2022	2021
	US\$ '000	US\$ '000
At 1 January	-	1,960
Repayments	-	(1,960)
At 31 December	-	-

Amref Health Africa received two loans in 2018, one from Amref Health Africa in Italy of US\$ 1.4 million with interest payable at an effective interest rate of 3.17% per annum repayable monthly in 36 instalments from October 2018. The other loan was from Amref Health Africa in USA and was of US\$ 750,000 at an interest rate of 5% and was repayable monthly in 36 instalments from January 2019. Amref Health Africa in 2019 received an additional loan from Amref Health Africa in the Netherlands of US\$ 2,247,000 interest free and repayable monthly in 20 instalments from April 2020.

The Group completed making repayments in 2021 as per the terms of the loan agreements.

22. LEASES

RIGHT OF USE ASSETS	2022	2021
	US\$ '000	US\$ '000
At 1 January	574	8,321
Transfers to property and equipment	-	(7,747)
Additions	460	-
At 31 December	1,034	574
At 1 January	300	850
Charge for the year	227	116
Transfers to property and equipment	-	(666)
At 31 December	527	300
Net carrying amounts		
At 31 December	507	274
LEASE LIABILITIES		
Within one year	157	104
In the second to third year	402	204
Total	559	308
At 1 January	308	5,880
Additions	460	-
Accretion of interest	10	24
Repayments	(219)	(5,596)
At 31 December	559	308

Amref Flying Doctors leased two aircraft, a Citation Excel and a Citation Bravo, in 2018 from Aero Medical Solutions Limited for a minimum period of five years. An additional lease was signed in 2019 for an engine overhaul of the Citation Excel. In 2021, the management of Amref Flying Doctors decided to repay the aircraft leases in full before maturity to take advantage of lower interest rates on US dollar denominated loans. The aircraft lease liabilities were repaid in full in 2021.

The lease liability as at 31 December 2022 relates to lease contracts for premises occupied by Group entities as well as storage space.

23. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel compensation

The names and job titles of the personnel in key management positions of Amref Health Africa during the year are as disclosed on page 1.

	2022	2021
	US\$ '000	US\$ '000
Short term employee benefits	4,097	3,510
Defined contribution plan	474	383
Total	4,571	3,893

(b) Amref Health Africa European and North American offices

Grants received through Amref Health Africa European and North American offices are as follows:

Amref Health Africa in Netherlands	9,437	11,169
Amref Health Africa in USA	8,076	9,542
Amref Health Africa in Italy	4,500	4,467
Amref Health Africa in UK	3,526	4,004
Amref Health Africa in Canada	1,275	3,169
Amref Health Africa in Nordic	624	745
Amref Health Africa in Spain	216	1,323
Amref Health Africa in France	21	950
Amref Health Africa in Austria	64	147

Amref Health Africa European and North American offices are fundraising offices that generate resources for the implementation of programmes in Africa. They work with the African country programmes in business development, and when successful, receive funds from donors and remit those funds to Amref Health Africa.

Balances receivable from and payable to the Amref Health Africa European and North American offices are as detailed below:

	2022	2021
	US\$ '000	US\$ '000
Receivable balance (Note 17)	571	641
Payable balance (Note 20)	402	568

The receivable balances indicated are amounts paid by Amref Health Africa on behalf of these offices and in respect of payments made by these offices on behalf of Amref Health Africa that had not been reimbursed as at the end of the year. There are no securities held against these balances and no expected credit losses relating to the balances.

23 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) Directors' expenses

	2022	2021
	US\$ '000	US\$ '000
Directors' expenses	149	24

These are costs related to Board meetings held within the year, sitting allowances paid to Directors and other expenses relating to Board of Directors activities, including programme field visits. The increase in the cost reflects the resumption of in person meetings after the easing of COVID-19 pandemic restrictions.

24. COMPOSITION OF THE GROUP

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Holding
Amref Health Africa in Kenya	Kenya	100%
Amref International University	Kenya	100%
Amref Flying Doctors	Kenya	100%
Amref Health Africa in Uganda	Uganda	100%
Amref Health Africa in Tanzania	Tanzania	100%
Amref Health Africa in South Sudan	South Sudan	100%
Amref Health Africa in Malawi	Malawi	100%
Amref Health Africa in Zambia	Zambia	100%
Amref Health Africa in Ethiopia	Ethiopia	100%
Amref Health Africa in West Africa	Senegal	100%
Global Fundraising Development Office	Netherlands	100%

25. TAXATION

Amref Health Africa exists to provide solutions to challenges in medical access and public health. These range from research, facility construction and upgrade, public education, as well as health workers' capacity building. The Company operates in Kenya under a Host Country Agreement (HCA) that was signed with the Government of Kenya on 6 November 1987. This HCA grants the Company certain privileges, among them exemption from income tax on its operations. The various subsidiaries are either exempted from tax or have made an application for income tax exemption in line with country regulations. Management does not foresee any reason why the subsidiaries with applications in process will not be granted the income tax exemption.

26. FINANCIAL RISK MANAGEMENT

Amref Health Africa's principal financial instruments comprise receivables, bank balances, fixed deposits, investments, lease obligations, borrowings and payables. These instruments arise directly from its operations.

26. FINANCIAL RISK MANAGEMENT (continued)

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk and equity/price risk), credit risk and liquidity risk. Amref Health Africa seeks to minimise the potential adverse effects of these financial risks. Risk management is carried out under policies approved by the Directors.

MARKET RISK

Market risk is the risk that the value of an investment will decrease due to movement in market factors. Value may fluctuate due to changes in interest rates, foreign currency rates and equity prices. The objective of market risk management is to manage and control market risk exposure within acceptable levels.

i). Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return or increasing the cost of finance to the Group.

ii). Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities i.e. when revenue or expense is denominated in a currency other than US Dollars.

This risk arises where there is a significant fluctuation between the currency of the signed donor contracts and the currency the funds are utilised. Where there is a significant reduction in purchasing power, the Group limits spending by monitoring budgets in US Dollars and reducing activities or if major enough by renegotiating contract ceilings with donors.

The Group's policy is to record transactions in US Dollars at the rate in effect in the month of the transaction. Monetary assets and liabilities denominated in other currencies are translated at the rate of exchange in effect at the reporting date. All gains or losses on changes in currency exchange rates are accounted for in the statement of profit or loss and other comprehensive income. Amref Health Africa does not take speculative positions in foreign exchange contracts or any derivative financial instruments.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Kenya Shilling, Ethiopian Birr, Uganda Shilling, Tanzania Shilling, British Pound and the Euro. The following table demonstrates the sensitivity to a reasonably possible change in the Kenya Shilling (KES), Euro and British Pound (GBP) exchange rate, with all other variables held constant, of the Group's surplus / (deficit). The Group's exposure to foreign currency changes for all other currencies is not material.

26. FINANCIAL RISK MANAGEMENT (continued)

ii). Foreign currency risk (continued)

Currency	Increase/decrease in exchange rate	Effect on surplus/(deficit) pre-tax/equity	Effect on surplus/(deficit) pre- tax/equity
		2022 US\$ '000	2021 US\$ '000
KES	5%	27	82
	(5%)	(27)	(82)
GBP	(5%)	42	28
	(5%)	(42)	(28)
EUR	5%	50	310
	(5%)	(50)	(310)

CREDIT RISK

Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit. The largest concentrations of credit exposure within the Group arise from trade receivables, term deposits and balances held with banks. This risk is managed in the following ways:

- (i) minimising advances to suppliers; and
- (ii) thorough due diligence processes for bank selection and regular tenders for suppliers.

The table below sets out the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained as at the end of the reporting period.

	Total	Impaired	Fully performing
	US \$'000	US \$'000	US \$'000
31 December 2022			
Receivables	3,870	(1,064)	2,806
Fixed term deposits	716	(716)	-
Investment	37,402	-	37,402
Cash and bank balances	80,582	-	80,582
Total	122,570	(1,780)	120,790
31 December 2021			
Receivables	4,152	(1,120)	3,032
Fixed term deposits	716	(716)	-
Cash and bank balances	94,081	-	94,081
Total	98,949	(1,836)	97,113

Receivables consist primarily of amounts invoiced by the Group and are current in nature and relate mainly to trade customers. Where bad debts have been recognised they have been provided for as indicated in note 17. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

26. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

Receivables – 2022	Gross amount	Expected credit loss	Expected credit loss rate
	US \$'000	US \$'000	US \$'000
NGO			
Current	12	-	0%
1-180 Days	204	94	46%
Above 180 Days	412	412	100%
Sub-total	628	506	
Amref Flying Doctors			
Current	1,216	22	2%
1-30 Days	500	33	7%
31-60 Days	145	24	16%
61-90 Days	167	56	34%
91-120 Days	79	44	56%
121-150 Days	19	14	75%
151-365 Days	34	24	71%
Above 365	42	42	100%
Sub-total	2,202	259	
Amref International University			
Current	1	-	0%
1-30 Days	7	-	0%
31-60 Days	19	2	11%
61-90 Days	98	12	12%
91-120 Days	2	-	16%
121-180 Days	11	3	26%
181-365 Days	115	66	57%
Above 365 Days	216	216	100%
Sub-total	469	299	
Total	3,299	1,064	

26. FINANCIAL RISK MANAGEMENT (continued)

CREDIT RISK (continued)

Receivables – 2021	Gross amount	Expected credit loss	Expected credit loss rate
	US \$'000	US \$'000	US \$'000
NGO			
Current	4	-	0%
1-180 Days	253	218	86%
Above 180 Days	443	443	100%
Sub-total	700	661	
Amref Flying Doctors			
Current	1,282	-	0%
1-30 Days	457	12	3%
31-60 Days	162	7	4%
61-90 Days	120	10	8%
91-120 Days	42	4	10%
121-150 Days	47	7	15%
151-365 Days	99	20	20%
Above 365	94	94	100%
Sub-total	2,303	154	
Amref International University			
Current	28	-	0%
1-30 Days	8	1	14%
31-60 Days	11	2	19%
61-90 Days	20	3	14%
91-120 Days	5	1	25%
121-180 Days	7	2	31%
181-365 Days	184	51	28%
Above 365 Days	245	245	100%
Sub-total	508	305	
Total	3,511	1,120	

26. FINANCIAL RISK MANAGEMENT (continued)

LIQUIDITY RISK

This is the risk that the Company will encounter difficulties in meeting obligations associated with its financial obligations that are settled by cash or another financial asset. Prudent liquidity risk management includes maintaining sufficient cash balances and the availability of funding from committed donors. Liquidity risk is minimised by maintaining sufficient funds as cash in hand and on-demand deposits to meet short-term liabilities. The current assets and liabilities for the Group can be liquidated within 12 months.

	1-12 months	>12months	Total
31 December 2022	US \$'000	US\$'000	US \$'000
Receivables	2,806	-	2,806
Cash and bank balances (Note 19)	80,716	-	80,716
	83,522	-	83,522
Payables	16,203	-	16,203
Lease obligations	157	402	559
	16,360	402	16,762
Net asset / (liability) position	67,162	(402)	66,760
31 December 2021			
Receivables	3,032	-	3,032
Cash and bank balances (Note 19)	94,158	-	94,158
	97,190	-	97,190
Payables	14,220	-	14,220
Lease obligations	104	204	308
	14,324	204	14,528
Net asset / (liability) position	82,866	(204)	82,662

26. FINANCIAL RISK MANAGEMENT (continued)

Fair value of financial assets and liabilities

The table below shows an analysis of financial instruments at fair value by level of the fair value hierarchy. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices); and
- iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Note	Level 1	Level 2	Level 3	Total
		US\$'000	US\$'000	US\$'000	US\$'000
31 December 2022					
Fair value through other comprehensive income					
Low Duration Global Investment Grade Credit Fund	14	16,000	-	-	16,000
Global Bond Fund	14	3,188	-	-	3,188
Income Fund	14	3,873	-	-	3,873
Global Real Return Fund	14	840	-	-	840
Diversified Income Fund	14	1,350	-	-	1,350
US Short-Term Fund	14	1,511	-	-	1,511
Low Average Duration Fund	14	10,640	-	-	10,640
		37,402	-	-	37,402
		=====	=====	=====	=====

Reconciliation of level 3 fair value measurements

There were no financial assets or financial liabilities measured at fair value on level 3 fair value measurement (2021: None).

27. CONTINGENT LIABILITIES

As at 31 December 2022, the Group had pending lawsuits relating to legal claims estimated at US\$ 179,000 (2021: US\$ 233,000). There are five cases across the Group, four relating to former employees who are claiming unlawful termination of contract and one relating to a vendor. The amounts are based on claims by the plaintiffs and judgement in respect of the cases had not been determined as at 31 December 2022. The Directors believe that the claims will not be successful and consequently no provision has been made in these financial statements in relation to the outstanding lawsuits.

28. CLASSIFICATION OF GROUP ACTIVITIES

The activities of the Group are classified into three broad categories: NGO activities, social enterprise activities and Fundraising Foundation activities.

NGO activities relate to the Group's operations for improving community health, capacity building through training and outreach and advocating for changes to improve the health and well-being of the African people.

The social enterprise activities are implemented by Amref Flying Doctors Limited and the Amref International University. Amref Flying Doctors Limited specialises in air ambulance services. Its aim is to achieve profitable business growth while providing efficient and effective aero-medical patient transport locally, regionally and internationally to a wide clientele. Surpluses generated by Amref Flying Doctors are important in helping Amref Health Africa achieve its fundraising targets. The Amref International University is an accredited institution of higher learning focused on training in health sciences. With partnerships with other universities in Africa and Europe, the University is committed to progressively develop innovative programmes catering for the present and future needs of African populations.

Information regarding the Group's categories of activities is presented below:

	NGO activities	Social enterprise activities	Fundraising Foundation activities	2022	2021
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Revenue and results</i>					
Income	196,149	24,655	670	221,474	184,485
Expenditure	(196,493)	(24,998)	(731)	(222,222)	(172,658)
Operating surplus	(344)	(343)	(61)	(748)	11,827
<i>Assets and liabilities</i>					
Assets	157,948	31,448	771	190,167	138,082
Liabilities	144,208	14,194	50	158,452	121,399

29. EVENTS AFTER THE REPORTING DATE

Amref Health Africa International University in February 2023 received a donation of a 50-acre parcel of land off Thika Road, Ruiru, Kiambu County, Nairobi Metropolitan. The University intends to construct its main campus on the land. The approximate market value of the land is US\$18 million.

30. CURRENCY

The consolidated financial statements are presented in thousands of United States Dollars (US\$ '000), the Group's functional and presentation currency.

31. COMPARATIVES

Comparative figures, where necessary, have been adjusted to conform to changes in presentation in the current year.